

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

COUNTRY China

DATE DISTR. 15 JAN 52

SUBJECT Production and Export of Native Produce,
West Hunan

NO. OF PAGES 1

PLACE
ACQUIREDDATE OF
INFO.

Document No. <u>009</u>	NO. OF ENCLS. (LISTED BELOW)
No Change in Class <input checked="" type="checkbox"/>	
Class. <u>C S</u>	
Auth. <u>1</u>	CLASS. ELEMENT TO
Date: <u>AUG 23</u>	RT NO.

50X1-HUM

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- About 150,000 barrels, of 125 standard catties each, of tung oil are produced per year in West Hunan. About 20 percent of this amount is sold for local consumption; the remainder is exported. Most of it is believed to go to the USSR or Czechoslovakia by sea from Tientsin, but sixty tons of tung oil (600 barrels) were sent to the USSR by rail via Manchuria. 50X1-HUM
- About 50,000 hides are produced per year in West Hunan. Forty percent of these are retained for local sale; the other ~~sixty~~ percent are exported. Some of the hides are used by the Light Industries Factory of Central and South China and the Wuhan Leather Works, both in Hankow. The production of hides is gradually decreasing in West Hunan.
- About 700,000 standard catties of gall-nut seed having a dried weight of 360,000 catties, are produced per year in West Hunan. Of this amount more than 80 percent is exported. The USSR and Czechoslovakia are the main recipients.
- The West Hunan office of the General Trading Company at Yuanling (110-15, 28-28) handles all export produce from the eight hsien of Hungchiang (109-58, 27-10), Kuwen, Yungshui (109-26, 28-37), Yungshun (109-52, 29-01), Ch'iench'eng (109-40, 28-14), Fenghuang (109-32, 27-56), Lungshan (109-30, 29-29) and Tayung (110-20, 29-07). The office has 15 2 1/2-ton trucks and 50 junks; twelve of the junks carry 100 piculs; the others are smaller. All loads are delivered at the Central and South China office of the General Trading Company at Hankow. 50X1-HUM
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- It is illegal for peasants to sell except to the General Trading Company, which uses its monopoly to manipulate prices. For example tung oil was fixed at JMP 470,000 per catty. the price was raised to JMP 540,000 because of scarcity. At the approach of the new season's yield the peasants began selling what remained of former yields; therefore, the company reduced its price to JMP 450,000. 50X1-HUM
- a drought caused the peasants to run very short of rice. The company took advantage of the situation and reduced its price for gall-nut seed from between JMP 360,000 - 340,000 per catty (according to grade) to JMP 310,000 - 270,000.
- This price policy makes the company very unpopular. The utmost ingenuity is used by the peasants in an effort to retaliate. Whenever possible, fine sand paste is added to dye seed and five percent cotton seed oil or vegetable oil is added to ~~very oil to deceive the company's collecting agents.~~

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